



February 22, 2002

ENGROSSED SENATE BILL No. 518

DIGEST OF SB 518 (Updated February 20, 2002 8:09 AM - DI 84)

Citations Affected: IC 12-21; IC 12-29; noncode.

Synopsis: Mental health center service areas. Establishes primary service areas for community mental health centers. Provides an option for a county and a community mental health center to initiate a request to change the primary service area or the provider assignment. Protects a consumer's right to choose or obtain access to the services of any provider certified to provide publicly supported mental health services. Specifies the distribution formula for county payments to certain community mental health centers. Requires certain community mental health centers to have a county fiscal body representative on the center's governing board. Requires community mental health centers to provide an annual report to the fiscal body of each county from which the center receives funding.

Effective: July 1, 2002.

Server, Miller

(HOUSE SPONSOR — CROSBY)

January 14, 2002, read first time and referred to Committee on Health and Provider Services.

January 31, 2002, amended, reported favorably — Do Pass.

February 4, 2002, read second time, amended, ordered engrossed.

February 5, 2002, engrossed. Read third time, passed. Yeas 48, nays 0.

HOUSE ACTION

February 11, 2002, read first time and referred to Committee on Rules and Legislative Procedures.

February 21, 2002, amended, reported — Do Pass.

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ES 518—LS 7313/DI 77+



February 22, 2002

Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

ENGROSSED SENATE BILL No. 518

A BILL FOR AN ACT to amend the Indiana Code concerning human services.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 12-21-2-3, AS AMENDED BY P.L.215-2001,
2 SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2002]: Sec. 3. (a) In addition to the general authority granted
4 to the director under IC 12-8-8, the director shall do the following:

5 (1) Organize the division, create the appropriate personnel
6 positions, and employ personnel necessary to discharge the
7 statutory duties and powers of the division or a bureau of the
8 division.

9 (2) Subject to the approval of the state personnel department,
10 establish personnel qualifications for all deputy directors,
11 assistant directors, bureau heads, and superintendents.

12 (3) Subject to the approval of the budget director and the
13 governor, establish the compensation of all deputy directors,
14 assistant directors, bureau heads, and superintendents.

15 (4) Study the entire problem of mental health, mental illness, and
16 addictions existing in Indiana.

17 (5) Adopt rules under IC 4-22-2 for the following:

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(A) Standards for the operation of private institutions that are licensed under IC 12-25 for the diagnosis, treatment, and care of individuals with psychiatric disorders, addictions, or other abnormal mental conditions.

(B) Licensing supervised group living facilities described in IC 12-22-2-3 for individuals who are mentally ill.

(C) Certifying community residential programs described in IC 12-22-2-3 for individuals who are mentally ill.

(D) Certifying community mental health centers to operate in Indiana.

(E) Establish exclusive geographic primary service areas for community mental health centers. The rules must include the following:

(i) Criteria and procedures to justify the change to the boundaries of a community mental health center's primary service area.

(ii) Criteria and procedures to justify the change of an assignment of a community mental health center to a primary service area.

(iii) A provision specifying that the criteria and procedures determined in items (i) and (ii) must include an option for the county and the community mental health center to initiate a request for a change in primary service area or provider assignment.

(iv) A provision specifying the criteria and procedures determined in items (i) and (ii) may not limit an eligible consumer's right to choose or access the services of any provider who is certified by the division of mental health and addiction to provide public supported mental health services.

(6) Institute programs, in conjunction with an accredited college or university and with the approval, if required by law, of the commission for higher education under IC 20-12-0.5, for the instruction of students of mental health and other related occupations. The programs may be designed to meet requirements for undergraduate and postgraduate degrees and to provide continuing education and research.

(7) Develop programs to educate the public in regard to the prevention, diagnosis, treatment, and care of all abnormal mental conditions.

(8) Make the facilities of the Larue D. Carter Memorial Hospital available for the instruction of medical students, student nurses,

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interns, and resident physicians under the supervision of the faculty of the Indiana University School of Medicine for use by the school in connection with research and instruction in psychiatric disorders.

(9) Institute a stipend program designed to improve the quality and quantity of staff that state institutions employ.

(10) Establish, supervise, and conduct community programs, either directly or by contract, for the diagnosis, treatment, and prevention of psychiatric disorders.

(11) Adopt rules under IC 4-22-2 concerning the records and data to be kept concerning individuals admitted to state institutions, community mental health centers, or managed care providers.

(12) Establish, maintain, and reallocate before July 1, 1996, one-third (1/3), and before January 1, 1998, the remaining two-thirds (2/3) of the following:

(A) long term care service settings; and

(B) state operated long term care inpatient beds; designed to provide services for patients with long term psychiatric disorders as determined by the quadrennial actuarial study under IC 12-21-5-1.5(9). A proportional number of long term care service settings and inpatient beds must be located in an area that includes a consolidated city and its adjacent counties.

(13) Compile information and statistics concerning the ethnicity and gender of a program or service recipient.

(14) Establish standards for each element of the continuum of care for community mental health centers and managed care providers.

(b) As used in this section, "long term care service setting" means the following:

(1) The anticipated duration of the patient's mental health setting is more than twelve (12) months.

(2) Twenty-four (24) hour supervision of the patient is available.

(3) A patient in the long term care service setting receives:

(A) active treatment if appropriate for a patient with a chronic and persistent mental disorder or chronic addictive disorder;

(B) case management services from a state approved provider; and

(C) maintenance of care under the direction of a physician.

(4) Crisis care is available.

(c) Funding for services under subsection (a)(12) shall be provided by the division through the reallocation of existing appropriations. The need of the patients is a priority for services. The division shall adopt

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rules to implement subsection (a)(12) before July 1, 1995.

SECTION 2. IC 12-29-2-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3. In situations described in section ~~2(1)~~ **2(a)(1)** or ~~2(3)~~ **2(a)(3)** of this chapter, the county's maximum appropriation for part of the total operating budget of the center is determined as follows:

STEP ONE: Divide the total county population ~~served by the center by the total population served by the center~~ **of the county residing in the primary service area of the community mental health center that is certified by the division of mental health and addiction to serve the county.**

STEP TWO: Multiply the ~~fraction~~ **amount** determined in STEP ONE by the total operating budget of the center after the operating budget of the center is reduced by the following anticipated amounts:

- (A) Gifts, except bequests.
- (B) Merchandise.
- (C) Fees.
- (D) Federal grants for direct service, except research and demonstration grants.

SECTION 3. IC 12-29-2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 4. (a) Except as provided in subsection (b), in situations described in section ~~2(2)~~ **2(a)(2)** or ~~2(4)~~ **2(a)(4)** of this chapter, the county's maximum appropriation for part of the total operating budget of the centers is determined in the same manner as in situations described in section ~~2(1)~~ **2(a)(1)** or ~~2(3)~~ **2(a)(3)** of this chapter.

(b) The amount derived from the calculation under subsection (a) represents the combined maximum appropriation to all centers serving the particular county. **Except for a county containing a consolidated city**, the allotment to each center shall be determined in the following manner:

(1) To determine the allotment to each center serving the total population of the county under the situation described in section ~~2(2)~~ **2(a)(2)** of this chapter, the amount actually appropriated shall be apportioned according to the proportion of the **county's** population ~~served by~~ **residing in the primary service area of** each center, **which is certified by the division of mental health and addiction to serve the county**, to the total population of the county.

(2) To determine the allotment to each center in the situation described in section ~~2(4)~~ **2(a)(4)** of this chapter, the amount

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1 actually appropriated shall be apportioned according to the
 2 proportion of the **county's** population ~~served by residing in the~~
 3 **primary service area of each center, which is certified by the**
 4 **division of mental health and addiction to serve the county,** to
 5 the population of the county served by all centers.

6 SECTION 4. IC 12-29-2-15 IS ADDED TO THE INDIANA CODE
 7 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 8 1, 2002]: **Sec. 15. (a) A community mental health center that:**

- 9 **(1) is certified by the division of mental health and addiction;**
 10 **(2) receives county funding from one (1) or more counties**
 11 **under this chapter; and**
 12 **(3) is not administered by a hospital licensed under**
 13 **IC 16-21-2;**

14 **shall include a member of a county fiscal body, or a county fiscal**
 15 **body's designee, on the center's governing board. The member**
 16 **shall be selected by the county fiscal body of the county where the**
 17 **community mental health center maintains its corporate mailing**
 18 **address. The county fiscal body representative must reside in one**
 19 **(1) of the counties in the community mental health center's**
 20 **primary service area.**

21 **(b) A community mental health center that:**

- 22 **(1) is certified by the division of mental health and addiction;**
 23 **(2) receives county funding from one (1) or more counties**
 24 **under this chapter; and**
 25 **(3) is administered by a hospital licensed under IC 16-21-2;**

26 **shall include a member of a county fiscal body, or a county fiscal**
 27 **body's designee, on the center's advisory board. The member shall**
 28 **be selected by the county fiscal body of the county where the**
 29 **community mental health center maintains its corporate mailing**
 30 **address. The county fiscal body representative must reside in one**
 31 **(1) of the counties in the community mental health center's**
 32 **primary service area.**

33 SECTION 5. IC 12-29-2-16 IS ADDED TO THE INDIANA CODE
 34 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 35 1, 2002]: **Sec. 16. A community mental health center that is**
 36 **certified by the division of mental health and addiction shall**
 37 **provide an annual report to the fiscal body of each county from**
 38 **which the center receives funding under this chapter.**

39 SECTION 6. [EFFECTIVE JULY 1, 2002] **(a) Notwithstanding**
 40 **IC 12-21-2-3(a)(5), as amended by this act, before July 1, 2003, the**
 41 **director of the division of mental health and addiction shall adopt**
 42 **rules under IC 4-22-2 establishing geographic primary service**

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1 areas for community mental health centers (as defined in
2 IC 12-7-2-38) that recognize the community mental health centers'
3 geographic primary service area boundaries in effect on July 1,
4 2002.

5 (b) This SECTION expires July 1, 2003.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 518, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, between lines 19 and 20, begin a new line triple block indented and insert:

"(iii) A provision specifying that a provider that meets the certification requirements of clause (D) must be assigned to a geographic primary service area.

(iv) A provision specifying that a geographic primary service area may have more than one (1) provider that meets the certification requirements of clause (D)."

and when so amended that said bill do pass.

(Reference is to SB 518 as introduced.)

MILLER, Chairperson

Committee Vote: Yeas 8, Nays 0.

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SENATE MOTION

Mr. President: I move that Senate Bill 518 be amended to read as follows:

Page 4, line 21, delete "exclusive".

(Reference is to SB 518 as printed February 1, 2002.)

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SENATE MOTION

Mr. President: I move that Senator Miller be added as second author of Engrossed Senate Bill 518.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Rules and Legislative Procedures, to which was referred Senate Bill 518, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 20, delete "a provider that meets the" and insert **"the criteria and procedures determined in items (i) and (ii) must include an option for the county and the community mental health center to initiate a request for a change in primary service area or provider assignment."**

Page 2, delete lines 21 through 25, begin a new line triple block indented and insert:

"(iv) A provision specifying the criteria and procedures determined in items (i) and (ii) may not limit an eligible consumer's right to choose or access the services of any provider who is certified by the division of mental health and addiction to provide public supported mental health services."

Page 3, between lines 38 and 39, begin a new paragraph and insert:
"SECTION 2. IC 12-29-2-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3. In situations described in section ~~2(1)~~ 2(a)(1) or ~~2(3)~~ 2(a)(3) of this chapter, the county's maximum appropriation for part of the total operating budget of the center is determined as follows:

STEP ONE: Divide the total county population ~~served by the center by the total population served by the center.~~ of the county residing in the primary service area of the community mental health center that is certified by the division of mental health and addiction to serve the county.

STEP TWO: Multiply the ~~fraction~~ amount determined in STEP ONE by the total operating budget of the center after the operating budget of the center is reduced by the following anticipated amounts:

- (A) Gifts, except bequests.
- (B) Merchandise.
- (C) Fees.
- (D) Federal grants for direct service, except research and demonstration grants."

Page 3, line 41, strike "2(2)" and insert **"2(a)(2)"**.

Page 3, line 42, strike "2(4)" and insert **"2(a)(4)"**.

Page 4, line 2, strike "2(1)" and insert **"2(a)(1)"**.

Page 4, line 2, strike "2(3)" and insert **"2(a)(3)"**.



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Page 4, line 5, delete "The" and insert **"Except for a county containing a consolidated city, the"**.

Page 4, line 9, strike "2(2)" and insert **"2(a)(2)"**.

Page 4, line 10, after "of the" insert **"county's"**.

Page 4, line 10, after "population" insert **"served by"**.

Page 4, line 11, delete "served by" and insert **"of"**.

Page 4, line 11, after "center" insert **", which is certified by the division of mental health and addiction to serve the county,"**.

Page 4, line 14, strike "2(4)" and insert **"2(a)(4)"**.

Page 4, line 16, before "population" insert **"county's"**.

Page 4, line 16, after "population" insert **"served by"**.

Page 4, line 16, delete "served by" and insert **"of"**.

Page 4, line 17, after "center" insert **", which is certified by the division of mental health and addiction to serve the county,"**.

Page 4, between lines 17 and 18, begin a new paragraph and insert:
"SECTION 4. IC 12-29-2-15 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 15. (a) A community mental health center that:

- (1) is certified by the division of mental health and addiction;**
- (2) receives county funding from one (1) or more counties under this chapter; and**
- (3) is not administered by a hospital licensed under IC 16-21-2;**

shall include a member of a county fiscal body, or a county fiscal body's designee, on the center's governing board. The member shall be selected by the county fiscal body of the county where the community mental health center maintains its corporate mailing address. The county fiscal body representative must reside in one (1) of the counties in the community mental health center's primary service area.

(b) A community mental health center that:

- (1) is certified by the division of mental health and addiction;**
- (2) receives county funding from one (1) or more counties under this chapter; and**
- (3) is administered by a hospital licensed under IC 16-21-2;**

shall include a member of a county fiscal body, or a county fiscal body's designee, on the center's advisory board. The member shall be selected by the county fiscal body of the county where the community mental health center maintains its corporate mailing address. The county fiscal body representative must reside in one (1) of the counties in the community mental health center's primary service area.



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SECTION 5. IC 12-29-2-16 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 16. A community mental health center that is certified by the division of mental health and addiction shall provide an annual report to the fiscal body of each county from which the center receives funding under this chapter."**

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 518 as reprinted February 5, 2002.)

MOSES, Chair

Committee Vote: yeas 10, nays 0.

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